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Sixty-second year

Identical letters dated 21 March 2007 from the Permanent Representative of India to the United Nations addressed to the Secretary-General, the President of the General Assembly and the President of the Security Council

The Second Regional Economic Cooperation Conference on Afghanistan was held in New Delhi in November 2006. It was co-hosted by the Ministry of External Affairs of the Government of India and the Ministry of Foreign Affairs of the Government of the Islamic Republic of Afghanistan. The Prime Minister of India and the President of Afghanistan were also present at this event.

I have the honour to attach a copy of the New Delhi Declaration, issued at the end of the Second Regional Economic Cooperation Conference on Afghanistan (see annex).

I should be grateful if the present letter could be circulated as a document of the General Assembly, under agenda item 16, and of the Security Council.

(*Signed*) Nirupam **Sen**

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Annex to the identical letters dated 21 March 2007 from the Permanent Representative of India to the United Nations addressed to the Secretary-General, the President of the General Assembly and the President of the Security Council

NEW DELHI DECLARATION

The delegations participating in the Second Regional Economic Cooperation Conference on Afghanistan, having met in New Delhi on 18-19 November, 2006:

express satisfaction at the substantial progress made by Afghanistan in reconstruction and economic development;

note that a strategy of development for Afghanistan which is based on cooperation with regional countries creates significant possibilities for reducing poverty and for achieving the Afghanistan Compact benchmarks and Millennium Development Goals in the whole region;

welcome the progress in the implementation of the Afghanistan National Development Strategy (ANDS) and Joint Coordination and Monitoring Board (JCMB) and the integral role attached to regional economic cooperation in this work;

recognise that the New Delhi Conference is a follow-up to, and builds on the success of the first Conference on Regional Economic Cooperation held in Kabul, December 4-5, 2005;

further recognise that the New Delhi Conference also draws upon the important work of other regional gatherings in recent years, including *inter alia* Bonn Agreement (2001), the Kabul Good Neighbourly Relations Declaration (2002), Tokyo Conference (2002), Dubai Declaration (2003), Bishkek Conference (2004), London Conference (2006), ECO Summit (2006), Shanghai Co-operation Organisation Summit (2006), CAREC Ministerial Meeting (2006) and SAARC Ministerial Meeting (2006);

acknowledge that the various regional organizations and programmes, in particular the Economic Cooperation Organisation, the South Asian Association for Regional Cooperation, the Central Asia Regional Economic Cooperation Programme, the Central and South Asia Transport and Trade Forum and Shanghai Cooperation Organisation are making a valuable contribution to improving the extent and scope of regional economic cooperation;

recognise that the strategically important location and centrality of Afghanistan to the surrounding regions plays an eminently vital role in providing a focal point for facilitating greater economic cooperation and integration;

consider that peace and economic stability in the region is dependent in large measure on the progress in stabilizing the security situation in southern and eastern Afghanistan;

recognise that narcotics production, trafficking and consumption impede the economic development of the region;

consider that current conditions, despite the above mentioned security and other constraints, still represent a good opportunity to improve the welfare of the peoples through co-ordinated policies on the trans-regional movement of manpower, enhanced

trade and investment, as well as joint promotion of infrastructure activities, especially in all forms of transport and energy development;

note that the current business climate is conducive to enhanced regional investment and business linkages, and needs to be given the requisite encouragement for the realization of the best potential;

consider that the resources of the region, and in particular water, agricultural and energy resources, can be used for the benefit of all;

recognise that a good base for expanding cooperation exists in the multiple agreements, of international, regional and bilateral nature, to which the countries of the region have subscribed;

recognise further that the numerous ongoing programmes in the fields of physical infrastructure, border management, regulatory systems and related activities, generously supported by the bilateral donors and through the technical expertise of the international and regional organisations, have already created a favourable and conducive environment for pursuing regional economic cooperation;

reaffirm that regional economic cooperation is of central importance to the growth prospects of the region, and that such cooperation offers many possibilities for the creation of "win-win" situations for all;

determine that capacity building, in particular in the case of Afghanistan, should be a key cross-cutting pillar, to be mainstreamed into all regional co-operation strategies, including South-South cooperation, for them to acquire a qualitative and sustainable edge;

resolve that credibility and confidence in regional economic cooperation is best created through practical and meaningful cooperation directed at specific projects of immediate mutual benefit to countries of the region;

further resolve that the regional governments should continue to work towards effective mechanisms for creating the favourable enabling environment in all fields for the multi-faceted, interactive regional economic co-operation and growth envisaged above;

HAVE NOTED THAT:

(1) Electricity trade and energy development: The possibilities to trade electricity under international standard power purchase agreements and accelerating construction of transmission infrastructure have the potential for mutual benefit to several countries, and therefore continue to merit detailed and urgent consideration through an appropriate framework. In this context, it is important to encourage and facilitate transportation of energy resources to all countries of the region. All efforts shall be made to support and accelerate the implementation of various regional and international transmission links. Priority will be given to provision of power and related services to communities located along the transmission lines. Joint steps will be taken to promote and efficiently utilize the hydropower potential of the region. The international financial institutions will continue to examine the likely evolution of regional energy markets so that options for regional cooperation can be properly identified and fully utilized. Afghanistan's potential gas, oil and coal natural reserves,

which according to some estimates may be much larger than previously estimated will be considered for development with private sector participation, as a contributing measure to spurring investment, trade and stability in the region. Afghanistan will also maximise the opportunities resultant from its joining the Energy Charter Treaty.

(2) Renewable energy: Access to clean, secure and affordable energy is likely to be a crucial input in all regional economic development, in cognizance of which opportunities for co-operation in the renewable sources need to be maximised, particularly in sources in which the region is richly endowed, i.e. hydel, solar, wind and biomass. Countries will work towards collaborative regional management of common resources, especially in border areas, evaluation and mapping of resources, sharing of data and know-how and particularly mature and mainstream technologies that are sound, well adapted to regional, environmental and cultural patterns and backed by spares and services that are readily available in the region.

(3) TAPI: The proposed Turkmenistan-Afghanistan-Pakistan-India gas pipeline has the potential for new opportunities for regional energy cooperation, resulting in enhanced development, improvement in physical security and overall economic benefits.

(4) Trade facilitation: Countries will seek to bring together their regulatory systems and procedures so that the barriers to cross border movements of goods and services are progressively reduced, transaction costs and times minimized, and bilateral border management and infrastructure including visas, trucking and customs regulations improved – which will strengthen security, encourage legitimate trade and interdict drugs and other illicit trade. To enhance regional trade, countries will work together to establish efficient and transparent trade practices. For better co-ordination, General Directorates of Transit and Trade Facilitation will be established, as appropriate. For management of border port facilities, public-private partnership will be encouraged.

(5) Transport: Countries will continue to work together and with regional and international organizations to implement, and where necessary, revise and update existing bilateral, trilateral and multilateral trade and transit conventions and agreements; examine in depth the ways to obtain maximum advantage from the creation, development and maintenance of inter-regional transit routes with a view to selecting the few most promising routes and prioritizing investments accordingly; and pay careful attention to appropriate and progressive opening of regional markets for transport. Focus will particularly be on the development of the East-West and North-South corridors, which are at various stages of development. Countries will also encourage and facilitate transportation of energy resources within the region. Specific bilateral and trilateral land transit problems will be resolved in a fair and equitable manner, consistent with regional and international obligations and best practices to which they are parties.

(6) Investment and business climate: To maximize opportunities, focus will be on increased information sharing; encouragement of enterprise culture; creation of well managed, mutually beneficial markets and industrial zones; operationalisation of regional and bilateral trade, investment and transit agreements; preferential market

access to selected products, harmonisation of quality and standards systems; simplification of visa regimes; and transformation of the informal sector through incentives generated by liberalization and reform.

(7) Agriculture: It is one of the main pillars for growth and revitalisation of regional economy. Focus will be on integrated rural financial system, including regional cooperation in developing a system specifically for Afghanistan, production of high value commodities including perennial horticulture and livestock having commercial priorities, encouragement to growth of private sector for marketing and processing, reduction of tariffs, establishment of unified quality control mechanisms, access to and better knowledge of the regional markets, ease of cross-border movement of products, pooling of national capacities for agricultural research, physical and institutional infrastructure and training.

(8) Capacity building: Countries will work towards development of skills, education and training of their work force which is crucial to providing comparative edge and sustainability to regional co-operation in all fields.

(9) Counter Narcotics: All regional cooperation activities need to strengthen law enforcement mechanisms and prevent the movement of illicit goods, particularly narcotics and precursor chemicals across borders.

HAVE DECIDED THAT:

(1) Regional countries will undertake stronger credibility and confidence building measures, vital for sustained and interactive regional co-operation.

(2) The short-term focus of regional economic co-operation will be on practical win-win projects, which benefit two or more countries and can subsequently fit into wider regional economic co-operation paradigm, notably in the fields of energy, transport and trade, agriculture and mining.

(3) A higher level political commitment will be accorded for such projects.

(4) Afghanistan's development will continue to remain a central factor in assuring the growth, stability, and prosperity of the region. Countries of the region will take practical steps in adopting the necessary policies in this direction.

(5) There will be better information sharing, via prioritisation of key issues, among the countries and regional organizations in order to avoid duplication of efforts.

(6) Regional organizations will continue to pursue the scope for further strengthening mechanisms and opportunities for regional co-operation, including public-private partnership initiatives.

(7) ADB will undertake a study on regional integration strategies and will share key findings at the next Conference.

(8) Regional countries will intensify efforts, at all appropriate fora, to remove obstacles to overland trade and transit between countries and regions.

(9) Regional countries will work towards aviation liberalisation for greater regional connectivity.

(10) Countries and organisations will assist Afghanistan to become an energy bridge in the region and to develop regional trade through supporting initiatives in bilateral/multilateral cross-border energy projects. They will also work towards development of regional renewable energy projects. Work will be accelerated on Turkmenistan-Afghanistan-Pakistan-India gas pipeline to develop a technically and commercially viable project.

(11) Countries will develop modalities for establishment of a regional technical committee to review impediments to agricultural trade in transit and to propose solutions.

(12) Regional countries will work towards concluding/broadening the existing preferential trade agreements, including preferential tariffs for Afghanistan.

(13) Regional countries will explore further specific project opportunities having regional relevance, in potential areas of investment i.e. energy, agriculture, transportation, mines, and financial services.

(14) The regional countries will encourage forging of institutional linkages with training institutes in the respective countries with a view towards capacity building of their work force, with the long-term objective of establishing regional training institutes in specialised areas of mutual benefit to all.

(15) The Afghan Government will take the lead in following up the decisions and considerations of this Conference.

(16) The regional countries will meet again at Ministerial level in a year's time to further review progress in regional economic co-operation.

(17) In preparation for the next meeting:

- National focal points will be strengthened to help participating countries evaluate and implement regional initiatives. The Afghan Government will distribute the relevant papers from this Conference to the national focal points and lead necessary follow-up measures;
- These focal points, on their part, will take forward the outputs of the Technical Working Groups of this Conference appropriately and effectively.